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PARIS, Aug. 25 - The Department of Justice report on Klaus Barbie's American connection is unsatisfying and troubling. Mr. Barbie is the World War II Gestapo officer whom the French call "the butcher of Lyons." The U.S. Army hired him as an agent in Germany after the war, protected him and enabled him to escape to Bolivia in 1951 when the French sought to try him for war crimes.

. He prospered for 33 years, until a new Bolivian regime turned him over to France last February to face a Lyons court. In the 1960's, the Army considered hiring him again because he had developed high-level contacts in South America, but backed off because of the risk of embarrassing disclosure.

All this is recounted in the new U.S. report, accompanied by a message of "deep regret" to France. But the report leaves a lot of unanswered questions and misleading implications.

The suggestion that Mr. Barbie was the only "suspected Nazi war criminal" clandestinely evacuated to safety by the U.S. is almost certainly false. The case of Ferenc Wajda, the Fascist Minister of Interior in wartime Hungary, was brought to public attention years ago. And John Loftus, a Boston lawyer who at one time prosecuted Nazi war criminals for the Department of Justice, says the U.S. used dozens of "rat lines," or escape routes, to help wanted Nazis disappear.

Mr. Loftus was cryptic in a telephone interview about his discovery of higher-level and much more significant U.S. involvement with Klaus Barbie than the report discloses, though it ciaims to be definitive. He said some parts of the record were still classified top secret, and he is currently trying to get an account of his own with important new revelations cleared for publication by the C.I.A.

It is surprising that Allan A. Ryan Jr., author of the Justice Department report, was apparently unaware of this. Mr. Ryan wrote repeatedly that

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Barbie's American Connection

By Flora Lewis

he had reviewed all existing records and consulted all the people alive who knew about American intelligence's use of Mr. Barbie. He may simply have been presumptuous, rather than deliberately concealing embarrassing facts, because Mr. Loftus believes "the U.S. is not capable of giving a complete and truthful account" about the agents it used in the early postwar period. "The records have been hopelessly mislaid," he says, and he has now given the Government some tips on where to find them.

In any case, the Ryan report is not convincing that knowledge of what it flatly calls "obstruction of justice" in the Barbie case was limited to a dozen or so officers of the Army's Counter Intelligence Corps, The report itself refers to the "absence of an inquiry or directive from higher levels" after the case became a public controversy, which suggests serious negligence if not collusion.

Further, the report is addressed exclusively to the Barbie story. How widespread was the U.S. practice of shielding Nazis liable for trial? Again, Mr. Ryan hints he suspects a lot more than he says:

"No other nation in occupied Germany - France, Great Britain or the Soviet Union — is in any position to

chucize the decision to use Klaus Barbie now that the U.S. Government has revealed the facts behind that use," his report says. "Each of those Governments made essentially the same decision at the same time: to invoke the available resources of the former German Nazi regime and advance what each Government perceived to be its national interest.

That is undoubtedly true, but then why imply that the U.S. has no more to answer for than Mr. Barbie? Another, much broader and deeper review is in order. It is shocking to find that the U.S. was both prosecuting and secretly employing Nazi murderers in the immediate aftermath of the war. It is even more shocking to realize that the cover-up is still going on, despite the apparent candor about Mr. Barbie.

And that is why the report is disturbing as well as inadequate. Mr. Ryan denounces the Americans who protected Mr. Barbie, but calls their behavior "neither cynical nor corrupt," only misguided. He believes that "we have seen the end of the attitude that anything is permissible, including the obstruction of justice, if it falls under the cloak of intelligence."

He says the reforms of the last decade should lead intelligence officers to realize purely operational problems "cannot be the exclusive concerns." But do they? There are strong pressures now to undo those reforms, which never went very far, and give free rein again to secret agencies without the 'democratic process of accountability," which Mr. Ryan found woefully lacking in the Barbie case.

The argument is that the Russians always have, still do and always will use every kind of dirty trick, so the U.S. must free its agents to match them. The answer, as the Ryan report shows in a most narrow way, is that the U.S. stands to lose much more than it gains by subverting itself, violating its own laws and betraying its own principles.